



MARKET UPDATE >>



MORTGAGE LENDING
FORECAST 2022 >>

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Oracle Market Update



By Peter Durbin

Chief Investment Officer

During the quarter, stock markets globally continued to climb and ended the year with a mini 'Santa Claus' rally to finish mostly at all-time highs. These gains occurred despite the emergence of a new Covid-19 variant (Omicron), supply chain issues, rising interest rate expectations and further evidence of inflation.

In late November, Omicron emerged out of Southern Africa and has now become the dominant virus strain globally. The US recently reported over 1 million infections per day (a daily record) while some European countries have reinstated lockdowns to help struggling hospital systems. This initially caused travel stocks to fall as well as other key commodities like oil. However most affected areas recovered by the end of the year, as more data about Omicron emerged suggesting in most instances it causes mild symptoms that can be managed at home. Currently, there is a belief in the markets that this strain may bring an end to the Pandemic as everyone gets exposure to the virus in a relatively short period of time. As a result, previously impacted stocks like oil and travel have rebounded sharply.

Inflation

Over the last year we have spoken often about whether inflation is transitory or permanent, and we believe 2022 will provide a much clearer picture. This picture will ultimately drive the performance of the markets and in particular certain groups of stocks. On one hand, inflation will have to lap some large comparison numbers from the year before, stimulus checks around the globe have largely ended, and we could see some relief in supply chain which eases the cost of doing business. On the other hand, businesses are struggling to get workers which means they are raising wages, supply chain problems may persist, and previous stimulus payments could keep good demand sustained for a longer period.

While the Pandemic, will continue to dominate headlines, we believe the market's attention will shift to the path of interest rates and inflation as we begin the new year. As most of you will be aware, there are supply shortages being experienced in many stores and up to a month's wait for shipping goods to your door. As a result, reseller markets have been created online charging 50% more for a PlayStation 5 while others are selling their used cars at a profit and at a price greater than new models. This is resulting in price increases as raging demand meets an embattled supply chain that just can't keep up.

Market Expectations

Economic data points including inflation and unemployment will ultimately shape the market's expectations of interest rates. These data points will determine how many interest rate rises the market expects. For example, the market is currently pricing in 3-4 rate rises in 2022 by the Reserve Bank of Australia and another 1-2 rises by May-2023. However, this will only take interest rates from 10bps to 125bps which is still historically low. The market expects similar gradual rises globally and some countries have begun raising rates including New Zealand, United Kingdom, Norway, and Singapore. Markets are generally good at dealing with implied expectations however they react violently when these expectations don't materialise. 2022 should give us some near-term answers to current market debates.

At Oracle, predicting macro-outcomes isn't something we do. We aim to neutralise these potential headwinds by holding high-quality businesses. The businesses in our portfolios have strong balance sheets, structural growth trends not reliant on quarterly GDP numbers and the ability to increase prices without losing customers. We believe this is the best approach for consistent long-term wealth creation and will continue to apply it in the face of potential Macro headwinds.

Mortgage Lending Forecast for 2022

We don't expect house prices to go down until interest rates go up. Rates are linked to money markets and the cash rate.



WILL THE HOUSING BOOM BE OVER IN 2022?

Across Australia, first home buyers are wondering if house prices will ever drop. Nationally, property values have grown 22% last year, although growth has slowed in recent months.

Hobart was 2021's hottest capital city property market where prices have increased 27%. In Sydney, values have risen 25%, Brisbane by 25%, Canberra 24%, Adelaide 21%, Darwin 16%, Melbourne 16% and Perth 14%. These are the highest annual growth rates since 1989.

It's not great news for first home buyers with prices expected to keep rising in 2022 before falling in 2023. These predicted falls are not expected to wipe out the gains of the current boom. Many commentators believe that house prices will fall, as interest rates are expected to start rising over the next couple of years.

The 'Big-4' banks forecasts for property prices in the short term:

- ◆ NAB has forecast a 4.9% lift in property values in 2022 and a 4% fall in 2023
- ◆ ANZ's outlook is a 6% price hike next year and a 4% drop in 2023
- ◆ CBA expects house prices to rise 7% next year and a drop in 2023 of 10%.
- ◆ Westpac expects an 8% rise in 2022 and a 5% correction in 2023

BANKS HIKING RATES

Record low mortgage rates below 2% have fuelled the current property price surge. We don't expect house prices to fall until interest rates rise. Rates are linked to money markets and the cash rate.

The Reserve Bank of Australia (RBA) says it won't lift the cash rate until inflation reaches its 2 to 3% target range. Some analysts are predicting the cash rate will rise in 2023 rather than 2024.

We have already seen the banks increasing their fixed rates, with most banks reducing their variable rates to attract new customers.

This seems to indicate that borrowers may need to be prepared for rates to increase in 2022.

WHAT ABOUT THE REGIONS?

Covid-19 lockdowns has seen a trend of city-dwellers relocating to the regions. As a result, property values in the regions have increased 30%, compared to 24% in the capital cities.

"If you look at the regional market, it's those well connected, commutable regions that have good infrastructure and service provisioning, that are going to continue to see heightened demand," says REA Group's Eleanor Creagh.

South-East Queensland is also expected to do well in 2022 as people escape states that have been harder hit by COVID-19.

IMPACTS OF OMICRON

Some analysts have warned that if the new COVID variants, such as Omicron, will continue to impact Australia, house prices could rise in the double digits again this year.

This could result in the RBA delaying any planned interest rate rises. In addition, the financial regulator APRA may also hold off on additional intervention to restrict credit in the housing market.

The emergence of Omicron reminds us that even the best predictions can never be sure exactly what lies ahead. If borders keep opening and shutting, confidence is likely to take a hit.

WILL LENDING RULES TIGHTEN?

In October 2021, APRA lifted the interest rate serviceability buffer for mortgages – from 2.5% to 3.0%.

Some analysts expect APRA to intervene again in 2022 by setting a limit on loan-to-income (LTI) ratios, further tightening lending caps. The regulator could also impose a limit on borrowers with loan-to-valuation-ratios (LVR) of 80 to 90%.

These changes have already affected borrowers. We're seeing clients, on average, be able to borrow approximately 5% less than they would have only 3 or 4 months ago. Clients have also expressed concern about rising interest rates.

FIRST HOME BUYERS SET TO DECLINE IN 2022

In 2021, first home buyers started with a record number of first home buyer loans. However, that has been slipping away in recent months. We expect that to continue.

The number of new loans being taken out by first home buyers has fallen by 11% in 2021, according to ABS lending indicators. Nevertheless the amount borrowed by first home borrowers is up 1% due to house price rises. In contrast, the value of investor mortgages rose 83% in the last year.

HIGH DENSITY LIVING MORE AFFORDABLE

As the gap between housing and unit values grows to nearly 38 per cent, 2022 is set to see high-density living become more appealing.

As affordability constraints impact on demand, we could see more of that demand diverted to the unit sector in 2022. For many first home buyers, this strategy can be a three to five year stepping-stone before the next step, buying a house.

It's important to understand what you're willing to compromise on... and to stick to your budget.

Oracle Global Equities Portfolio Update



Nick Cummings
Portfolio Manager

The Global Equities Portfolio ended the fourth quarter with a gain of **3.81%**. Our benchmark, the MSCI AC World Net Ex Australia Index, returned **6.07%** over the same time. During the quarter the US dollar contributed to gains while our companies mostly performed well.

Global markets experienced a classic 'Santa Rally' to the end a stellar year. Markets dismissed the emergence of Omicron and the rollout of restrictions in parts of Europe. Corporate earnings continued to be supportive of valuations as most companies beat earning per share and revenue estimates during the third quarter reporting period.

Notable contributors to performance for the quarter were Lowe's and Home Depot (US Home Improvement Chains) and Costco (Global discount retailer). While the main detractors from performance were PayPal (Online payments), Yum China (Chinese Fast-Food rollout) and Visa (Payments).

Moving into 2022, we believe the outlook for this Portfolio is solid. The businesses we own remain attractively valued and, on an aggregate, should deliver 15% earnings growth per annum over the next few years. Additionally, we believe they have competitive positions that allow them to raise prices and defend their margins as costs of doing business increase. In terms of positioning, we have made a few small purchases and trims during the quarter and recently purchased Flutter Entertainment to the portfolio. Over the last few months some of our favourite stocks that didn't fully meet our valuation framework, were pulled back to a more attractive valuation. We look forward to introducing a few of these names to year throughout 2022.

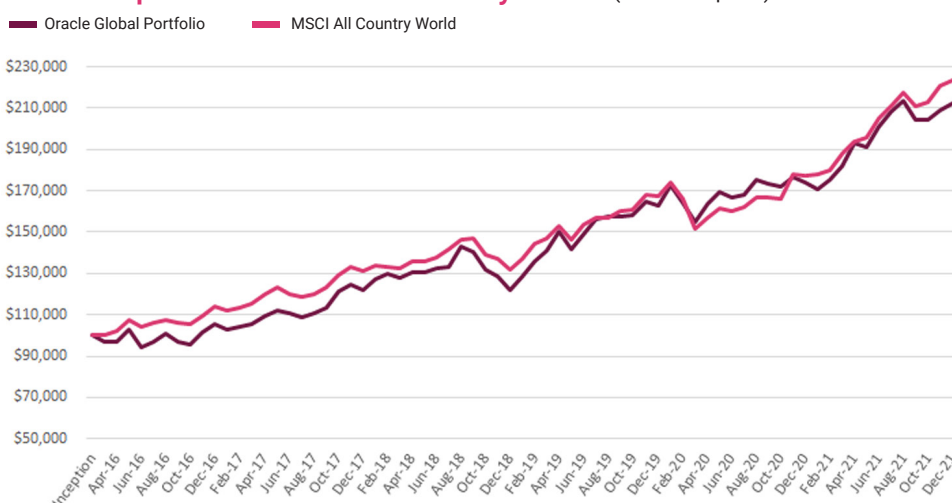
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Portfolio Performance

Rolling	Global Equities Portfolio	Benchmark (MSCI All Country World Index)	Outperformance
1 month	1.59%	1.41%	0.18%
3 month	3.81%	6.07%	-2.26%
6 month	5.48%	9.12%	-3.64%
1 year	21.96%	25.99%	-4.03%
2 year p.a	21.96%	15.59%	-1.48%
3 year p.a	20.23%	19.23%	1.00%
Since Inception p.a (1 March 2016)	13.78%	14.79%	-1.01%

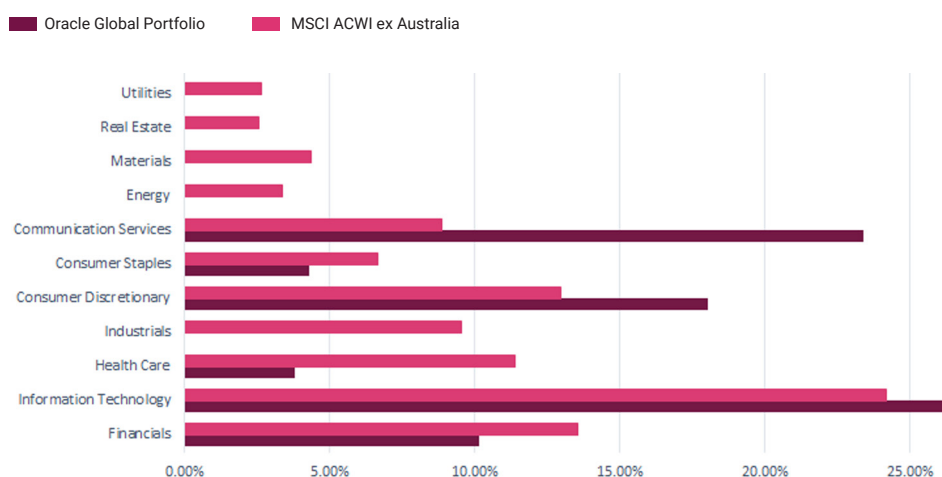
Comparative Performance

Global Equities vs MSCI All Country World (since inception)



Market Segments

Oracle Global Portfolio v MSCI ACWI ex Australia



Oracle Global Equities Portfolio Update

Flutter Entertainment is a global betting conglomerate based out of the United Kingdom. They own brands such as SportsBet (Australia), PokerStars (Global), Paddy Power and SkyBet (UK Brands) and FanDuel (United States). While most of the brands are mature and extremely cash generative, our main investment thesis is backing their expansion into the US Online Betting market. In 2018, US federal laws were changed to allow individual states to regulate their own gambling laws. So far over 20 states have regulated sports betting online opening an extremely lucrative market that Goldman Sachs estimates will be worth more than \$30B in 2030. Currently, FanDuel is the market leader

with 42% market share as of the 3Q 2021. Additionally, three players dominate the newly opened markets which is like the oligopolistic industry structure seen in most overseas markets. We believe most of the economics will go to the market leader like other digital businesses. FanDuel has the management team, product innovation, overseas experience, and financial firepower to be the dominate player and maintain their current market share. Additional upside may come from other markets like Canada, Brazil and India regulating gambling expanding Flutter's potential Total Addressable Market.

Portfolio Overview	
Investment Manager	Oracle Investment Management Pty Ltd
Investment Objective	To provide investors with long-term capital growth and tax effective income. The portfolio aims to outperform its benchmark over a rolling 3-year period.
Investment Strategy	To use active bottom up stock selection, focusing on buying quality securities at reasonable prices. The securities are assessed as meeting our investment criteria of strong earnings growth and as likely to provide attractive returns to investors.
Benchmark	MSCI ACWI ex Australia in A\$ (unhedged)
Investment Universe	Primarily large cap international securities listed on major international exchanges. Portfolio may invest in listed ETFs.
Recommended Investment Period	3-5 years
Minimum Initial Investment	\$25,000
Inception Date	1 March 2016

Top 10 Contributors	Portfolio Position	12 month Performance
Google	9.66%	75.85%
Lowe's	6.43%	74.40%
Home Depot	0.00%	73.82%
Microsoft	7.69%	61.07%
Costco	4.30%	58.24%
AON	3.50%	51.54%
Berkshire Hathaway	6.64%	36.71%
Medpace	1.79%	33.53%
Facebook	7.12%	31.20%
Skechers	3.11%	28.89%

Portfolio Characteristics

	Portfolio	Index
Price Earning Multiple	31.2	17.7
Price / Free Cash Flow	31.70	18.50
Earnings Growth	28.42	39.03
Sales Growth	15.47	-12.70
Dividend Yield	0.6	1.8
Return on Equity (ROE)	24.7	17.9

Oracle Australian Equities Portfolio Update



Luke Durbin
Portfolio Manager

The Australian Equities Portfolio returned **5.22%** for the December 2021 quarter, outperforming the benchmark S&P/ASX 200 Accumulation Index by **3.13%**.

The final quarter of 2021 was similar to that of 2020. Global financial and economic landscapes have been continually dominated by the Covid-19 pandemic and its associated challenges. However, the virus' impact on global supply chains was a key differentiator. Many businesses in Australia have endured raw material shortages, supply chain disruptions, and labour shortages, thus resulting in high levels of demand and inflation rise concerns. Despite a prolonged pandemic, supply chain disruptions and inflation concerns, the Australian equity market finished the year with a solid gain. This robust performance has been the result of upbeat investor sentiment, fuelled by the commitment from central banks who maintained easy monetary policy characterised by historically low interest rates. Investor sentiment was fuelled by this and by a large proportion of companies reporting better than anticipated earnings results. Throughout October and November market volatility increased as the US Federal Reserve became surprisingly keen on tighter monetary policy in the near-term. A sudden jump in bond yields, coupled with the identification of the Omicron variant prompted a mild correction in Australian stocks, however turned out to serve as a buying opportunity for investors with a 'buy the dip' mentality.

The primary reason for our outperformance over the quarter was holding relatively larger positions in the standout companies above, relative to our benchmark index.

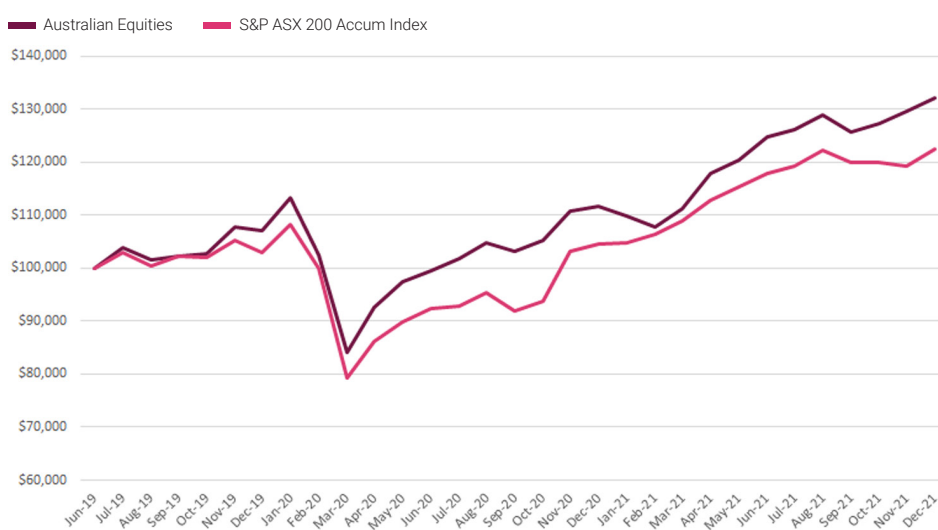
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Portfolio Performance

Rolling	Australian Equities Portfolio	Benchmark (S&P ASX 200 Accumu Index)	Outperformance
1 month	2.01%	2.75%	-0.74%
3 month	5.22%	2.09%	3.13%
6 month	5.92%	3.84%	2.08%
1 year	18.43%	17.23%	1.20%
2 year p.a	11.15%	9.03%	2.12%
Since Inception p.a (1 July 2019)	11.82%	8.46%	3.36%

Comparative Performance

Australian Equities vs S&P ASX 200 Accum Index (since inception)



Portfolio Characteristics

	Portfolio	Index
Price Earning Multiple	28.9x	23.1x
Earning per share Growth - 3 year	6.0%	1.0%
Earning per share Growth - 1 year	7.6%	3.9%
Return on Equity (ROE)	16.3%	9.4%
Dividend Yield	1.8%	2.2%
Dividend Growth	0.1%	-1.5%
Gearing (Net Debt/EBITDA)	1.5x	2.3x

Oracle Australian Equities Portfolio Update

Being overweight the likes of Reece, Altium, Oz Minerals and Goodman Group helped differentiate our returns from the benchmark. On the other side, we were mostly not exposed to substantial decliners within the index such as Magellan Financial Group which fell 40% over the period, as well as Afterpay which fell 32%. This quarter's outperformance boils down to holding winners and choosing not to hold losers.

During October, we took a modest position in Wisetech Global Limited (WTC). WiseTech is a strong business that is a true leader and innovator in its space, providing unparalleled software solutions to the logistics industry.

WiseTech embodies an array of characteristics we look for in an investment; a sustained and proven competitive advantage, involved management team, strong growth prospects, operating in an industry with substantial tailwinds. WiseTech provides software to an industry that is benefitting from a range of long-term trends such as the rise of the digital commerce, globalisation, e-commerce, and the increasing role technology is playing in supply chains and in business in general. It is a impressive company in a growing industry.

Portfolio Overview	
Investment Manager	Oracle Investment Management Pty Ltd
Investment Objective	To provide investors with tax effective income, dividends and capital growth. The Portfolio aims to outperform its benchmark over a rolling 3 to 5 year period.
Investment Strategy	To use active stock selection to invest in quality businesses. The businesses are assessed as meeting our investment criteria of a high return on equity, growth potential and their ability to consistently deliver dividends to investors.
Benchmark	S&P/ASX 200 Accumulation Index
Investment Universe	Companies listed on the ASX that have a market capitalisation similar to those in the S&P/ASX 200 Accumulation Index.
Recommended Investment Period	3-5 years
Minimum Initial Investment	\$25,000
Inception Date	1 July 2019

Top 10 Contributors	Portfolio Position	3 month Performance
Reece	3.2%	41.30%
Altium	4.3%	27.22%
Oz Minerals	3.6%	25.37%
Goodman Group	2.7%	22.23%
Reliance Worldwide Corp.	2.1%	21.04%
Charter Hall Group	1.6%	20.00%
Evolution Mining	0.8%	16.33%
Sonic Healthcare	2.8%	14.68%
Macquarie Group	5.0%	12.86%
Northern Star Resources	2.7%	10.71%

Oracle Emerging Companies Portfolio Update



Jack Magann
Portfolio Manager

The last quarter of the 2021 calendar year saw Australian small and mid-caps finish off a strong year, rising **2.03%**. This was on the back of record earnings being reported and increased confidence that the end of the pandemic is in sight. It is pleasing to report that the Oracle Emerging Companies portfolio had an even stronger quarter than the index, returning **4.20%**. This caps off a solid quarter for the portfolio with outperformance of **2.17%** compared to the index. For the calendar year the Emerging Companies portfolio returned a very pleasing result of **26.34%**, outperforming our benchmark by **9.44%**.

From our strong performers for the quarter, five out of the top ten were some of our higher weighted positions. It's satisfying when the strongest conviction positions perform well, playing out our investment thesis. These positions include Australian Ethical (fund manager), Dicker Data, Jumbo Interactive (online lottery software), Credit Corp (debt purchaser) and Fiducian Group (financial advice & funds management). The main detractors for the quarter were Bravura Solutions (wealth management software), Webjet Limited (digital travel business) & Smartgroup Corporation (novated leasing).

Two of our top performers, which are smaller positions, were Pro Medicus and PTB Group. We initiated a position in Pro Medicus during the quarter and believe that it is one of the best companies on the ASX. Pro Medicus specialises in radiology image storage and visualisation software. The Visage 7 system is the best on market and the company has consistently signed significant contracts with major hospitals and health systems in the US. The competitive advantage of the Visage 7 system is that the software allows for the smooth streaming of radiology images ensuring the radiologist doesn't miss any of the visuals taken during the scan.

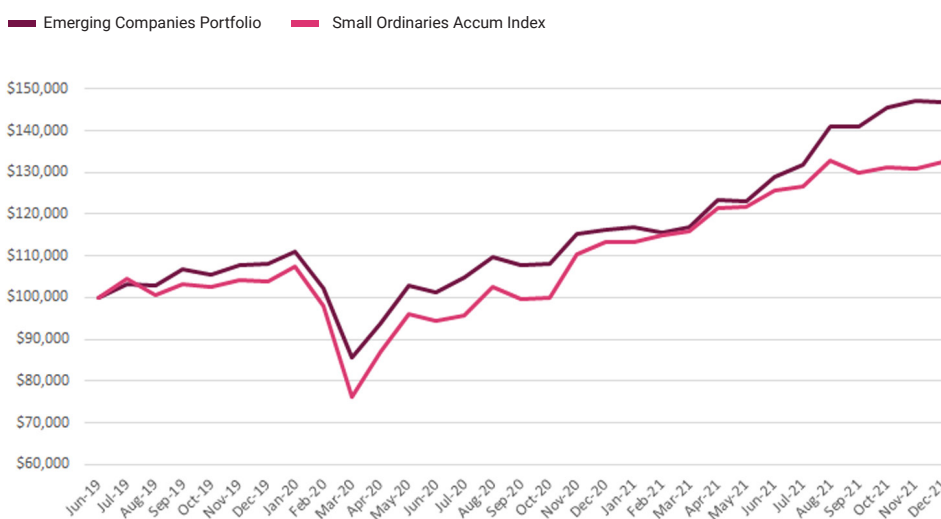
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Portfolio Performance

Rolling	Emerging Companies Portfolio	Benchmark (S&P/ASX Small Ordinaries Accumulation Index)	Outperformance
1 month	-0.19%	1.41%	-1.60%
3 month	4.20%	2.03%	2.17%
6 month	13.98%	5.54%	8.44%
1 year	26.34%	16.90%	9.44%
2 year p.a	16.48%	12.99%	3.49%
Since Inception p.a (1 July 2019)	16.60%	11.96%	4.64%

Comparative Performance

Emerging Companies vs Small Ordinaries Accum Index (since inception)



Portfolio Characteristics

	Portfolio	Index
Price Earning Multiple	31.0	17.9
Earning per share Growth (3 year)	11.3%	0.9%
Earning per share Growth (1 year)	5.0%	1.2%
Return on Equity (ROE)	13.4	9.3
Dividend Yield	2.3	2.5
Dividend Growth	16.7%	-6.1%
Gearing (Net Debt/EBITDA)	0.61	2.1

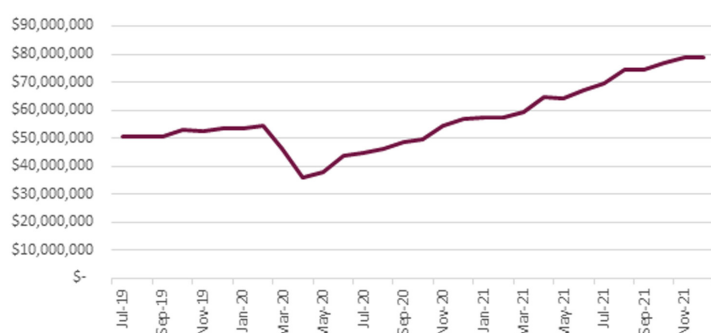
Oracle Emerging Companies Portfolio Update

The pandemic has benefited the company as their software can be used remotely. During the month of October, Pro Medicus announced a new contract with Novant Health, in the US for \$40m over 7 years. This is their equal largest contract to date.

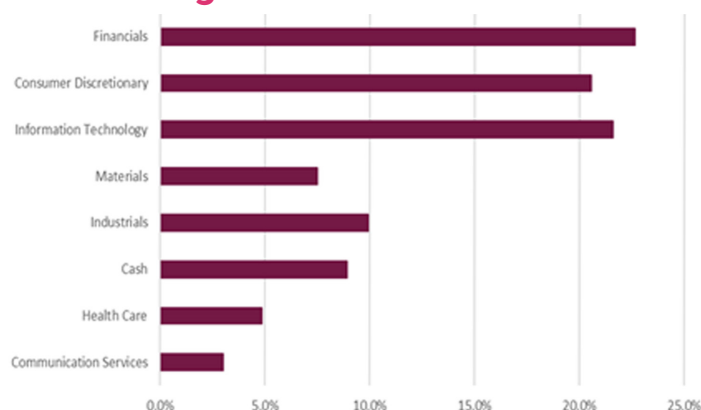
We enhanced our PTB Group position after their impressive full year results and meeting with management. PTB Group provides maintenance to turboprop planes, as well as leasing engines and selling parts for these small planes. Unlike other operators in the aircraft industry, the company has seen little impact from the pandemic with only 20% of their revenue coming from tourism and most of their services being classified as essential such as agricultural services and medical flights. The CEO of PTB is a strong operator with vast experience in the industry. The capital management from the company is excellent and the management team are truly aligned as owners of the business.

2022 will be an interesting year for the markets and we believe the two themes to monitor for the broader economy are COVID-19 and inflation. With Omicron rapidly circulating around the globe, we are still waiting to see the full impact it will have on healthcare systems and how governments will react. So far Australia has held their nerve, deciding not to enforce further lockdowns. How global leaders react to Omicron and future variants will affect the sentiment of investors in the market. The second important factor for our economy and markets is inflation, especially in the US. America reported consumer price rises of 5.7% p.a. last month, which is the fastest rise in 40 years. It is expected that the US Federal Reserve could raise rates multiple times throughout 2022, which will affect the Australian share market. Investing in profitable businesses which are growing their earnings per share and return on equity each year, with minimal to no debt will work in our favour when rates do rise.

Funds Under Management (since inception)



Market Segments



Portfolio Overview

Investment Manager	Oracle Investment Management Pty Ltd
Investment Objective	To provide investors with long-term capital growth and tax effective income. The Portfolio aims to outperform its benchmark over a rolling 3 to 5 year period.
Investment Strategy	To use active stock selection to invest in quality businesses. The businesses are assessed as meeting our investment criteria of high return on equity and earnings growth and as likely to provide attractive returns to investors.
Benchmark	S&P/ASX Small Ordinaries Accumulation Index
Investment Universe	All companies listed on the ASX plus managed funds. The Portfolio will include a range of mid-sized capitalization companies.
Recommended Investment Period	3-5 years
Minimum Initial Investment	\$25,000
Inception Date	1 July 2019

Top 10 Contributors

Top 10 Contributors	Portfolio Position	3 month Performance
Australian Ethical Investment	4.4%	24.7%
Data#3 Limited	1.6%	22.8%
Jumbo Interactive Limited	3.4%	20.3%
Dicker Data Limited	5.2%	17.7%
Ramelius Resources Limited	1.4%	17.6%
Pro Medicus Limited	1.3%	14.3%
Energy One Limited	1.6%	13.9%
PTB Group Limited	1.6%	12.6%
Fiducian Group Limited	3.8%	10.9%
Credit Corp Group	4.8%	10.3%

Oracle Fixed Interest Portfolio Update



Joshua Durbin

Portfolio Manager

The Fixed Interest portfolio achieved a return of **-0.06%** for the December quarter and **6.74%** for the calendar year. The 4th quarter of 2021 saw a challenging environment for the fixed income portfolio with higher-than-expected inflation reported and the market predicting the RBA will raise rates sooner than expected to temper inflation.

This caused the yield curve to rise, particularly the 3-year rate which the RBA were previously pegging.

To combat higher inflation and potentially interest rate rises we are rebalancing the fixed interest portfolio exposure, towards more floating (variable) rate bonds.

The following bonds were added to the portfolio this quarter:

Commonwealth Bank of Australia BBSW + 1.32% maturing August 2031

Pacific National 3.80% maturing September 2031

Westpac Capital Notes 8 3m BBSW + 2.90% maturing December 2049

Suncorp Capital Notes 4 3m BBSW + 2.90% maturing August 2028

Waypoint REIT 2.40% maturing September 2028

Qantas 3.15% maturing September 2028

Latitude Group 3m BBSW + 1.32% maturing October 2036

Investa Commercial Property Fund 2.73% maturing October 2030

Bank of Queensland BBSW + 0.8% maturing October 2026

Pioneer Credit 3m BBSW + 7.27% maturing March 2022

Co-operative Bank Ltd. FRN 05 Nov 31

Australian Unity 7.00% perpetual

GPT Funds Management Ltd. 3.222% 05 Nov '31

Mercury NZ Ltd. 2.918% 17 Nov '28 – Green Bond

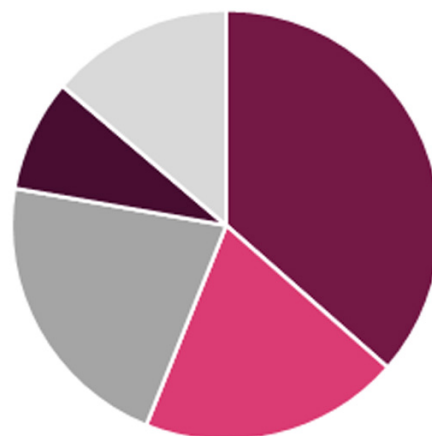
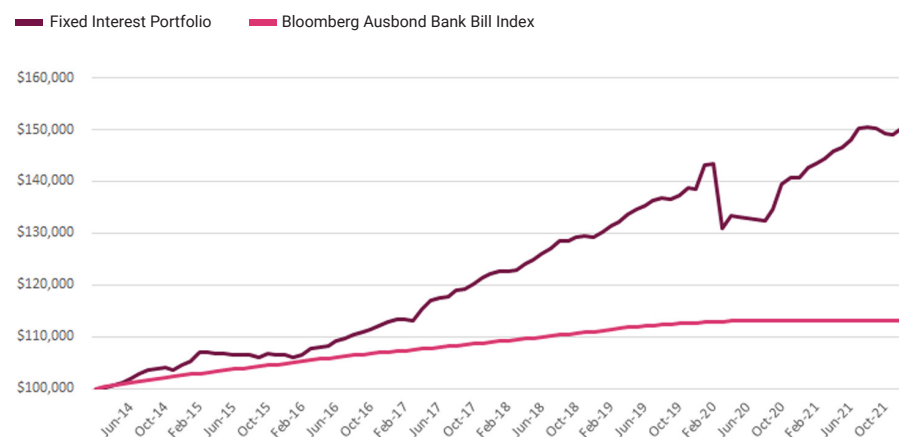
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Portfolio Performance

Rolling	Fixed Interest Portfolio	Benchmark (Bloomberg Ausbond Bank Bill Index)	Outperformance
1 month	0.79%	0.00%	0.79%
3 month	-0.05%	0.01%	-0.06%
6 month	1.38%	0.01%	1.37%
1 year	6.76%	0.03%	6.73%
2 year p.a	4.18%	0.20%	3.98%
3 year p.a	5.13%	0.63%	4.50%
Since Inception p.a (1 March 2014)	5.33%	1.58%	3.75%

Portfolio Performance

(since inception)



Bond Type by Weight

- Senior Debt 36.47%
- Subordinated Debt 19.60%
- Hybrid 21.68%
- Preferred Equity 8.45%
- Cash 13.79%

Oracle Fixed Interest Portfolio Update

Racing Australia Consolidated Enterprises Ltd 6.250% 12 Nov '27

Bank of Queensland Limited 3m BBSW + 1.80 FRN 19 May '32

Australia Pacific Airports (Melbourne) Pty Ltd. 3.763% 25 Nov '31

Computershare US Incorporation 3.147% 30 Nov '27

Ampol Limited FRN 02 Dec 81

Partners Group Holdings Ltd. FRN 23 Dec 26

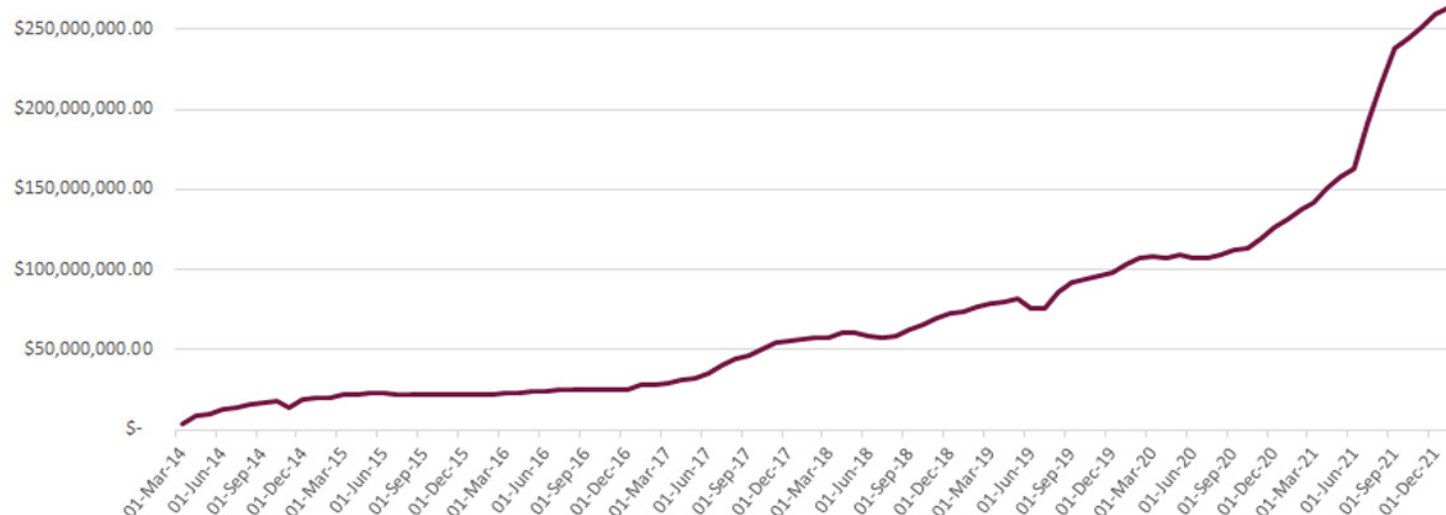
AMP Bank Ltd. FRN 16 Dec 24

Top 10 Contributors	3 month Performance	Weight
Crown Resorts	12.41%	2.65%
Nufarm Finance	11.64%	0.50%
NCIG	8.10%	0.92%
Money Me	5.27%	1.30%
Jervois Mining	4.54%	0.58%
Adani Abbot Point Terminal	4.30%	0.98%
Mercantile	4.25%	0.56%
Elanor	3.93%	1.21%
Peet	3.73%	1.67%
Pioneer Credit	3.70%	0.72%

Portfolio Overview

Investment Manager	Oracle Investment Management Pty Ltd
Investment Objective	To provide a return comprised of a secure and predictable income stream with moderate capital growth. The Portfolio aims to outperform the Bloomberg AusBond Bank Bill Index on an annual basis.
Investment Strategy	To invest in credit securities from companies with strong management, and balance sheets that display characteristics such as sufficient liquidity and low levels of gearing. Diversification is achieved mainly through investment in securities across a range of industries.
Benchmark	Bloomberg AusBond Bank Bill Index
Investment Universe	The Portfolio will primarily comprise of Australian Fixed Income including corporate bonds, listed sub-debt, listed hybrids, term deposits and cash. Dependent on market conditions the Portfolio may also invest in international corporate bonds and government bonds.
Recommended Investment Period	3 years
Minimum Initial Investment	\$25,000
Inception Date	20 January 2014

Funds Under Management (since inception)



Oracle Property Securities Portfolio Update



Luke Durbin
Portfolio Manager

The Oracle Property Securities Portfolio outperformed the benchmark index by **0.21%**, returning **10.28%** for the quarter. Over the calendar year, the Oracle Property Securities Portfolio returned an impressive **26.7%**. In the December quarter the property asset class was once again the best performing for Australian investors, posting **10.07%** growth on top of the **4.8%** returned in the September quarter and **10.7%** in the June quarter.

To put the performance for this asset class in context, the S&P 500 equity index, composed of the world's 500 largest and most innovative companies, rose 26.89% over the same period. The final quarter of the year was characterized by much of the same economic characteristics which has helped fuel the demand for Australian listed property during the entire calendar year of 2021 this included low interest rates, a lack of alternative asset classes, strong demand for most real estate sectors, outweighing supply, and increasing vaccination rates leading to enhanced investor sentiment. Towards the second half of the year, the re-opening of the economy saw a rise in economic activity, all meanwhile interest rates remained at historical lows. This environment made the listed property sector a particularly attractive place to allocate capital as its relative yield is superior to other asset classes. Also, capital appreciation remains robust as the demand for the underlying properties endure continuing strong demand and activity.

Throughout the quarter, two companies that exemplified the strong performance of the sector were Charter Hall Group and Goodman Group. Both these companies make up a large portion of our Oracle Property Securities Portfolio.

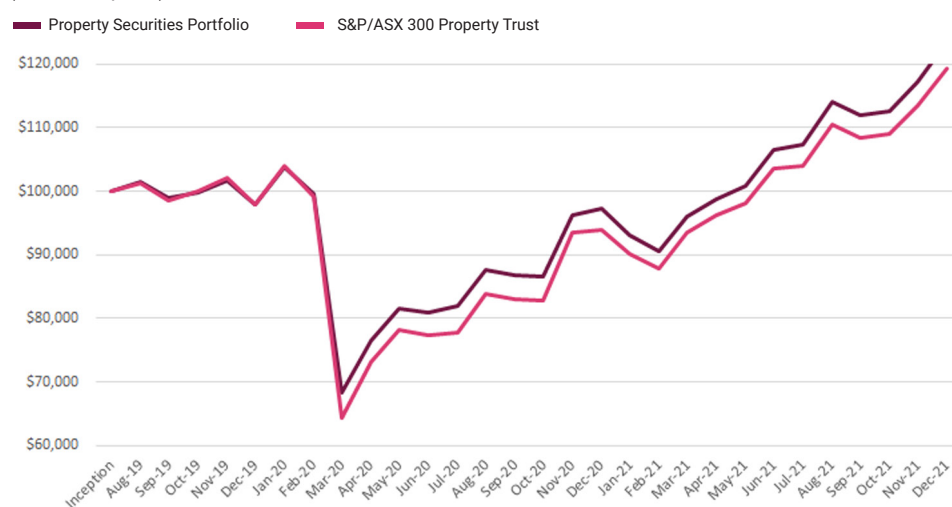
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Portfolio Performance

Rolling	Property Securities Portfolio	Benchmark (S&P/ASX 300 Property Trust Accum Index)	Outperformance
1 month	5.40%	5.24%	0.16%
3 month	10.28%	10.07%	0.21%
6 month	15.99%	15.35%	0.64%
1 year	26.97%	27.03%	-0.06%
2 year p.a	12.27%	10.45%	1.82%
Since Inception p.a (1 August 2019)	9.14%	7.60%	1.54%

Comparative Performance

Property Securities vs S&P/ASX 300 Property Trust Accum Index (since inception)



Portfolio Characteristics

	Portfolio	Index
Price/Funds From Operations multiple	7.5X	7.5X
Funds From Operations per share Growth - 3 year avg	11%	9%
Return on Equity (ROE)	15.5%	14.5%
Return on Equity (ROE) - 3 year avg	11%	9.7%
Dividend Yield	4.6%	4.9%
Dividend Growth	1.6%	1.5%
Gearing (Debt/Equity)	27x	27x
Weighted Average Lease Expiry (years)	7.2	6.7

Oracle Property Securities Portfolio Update

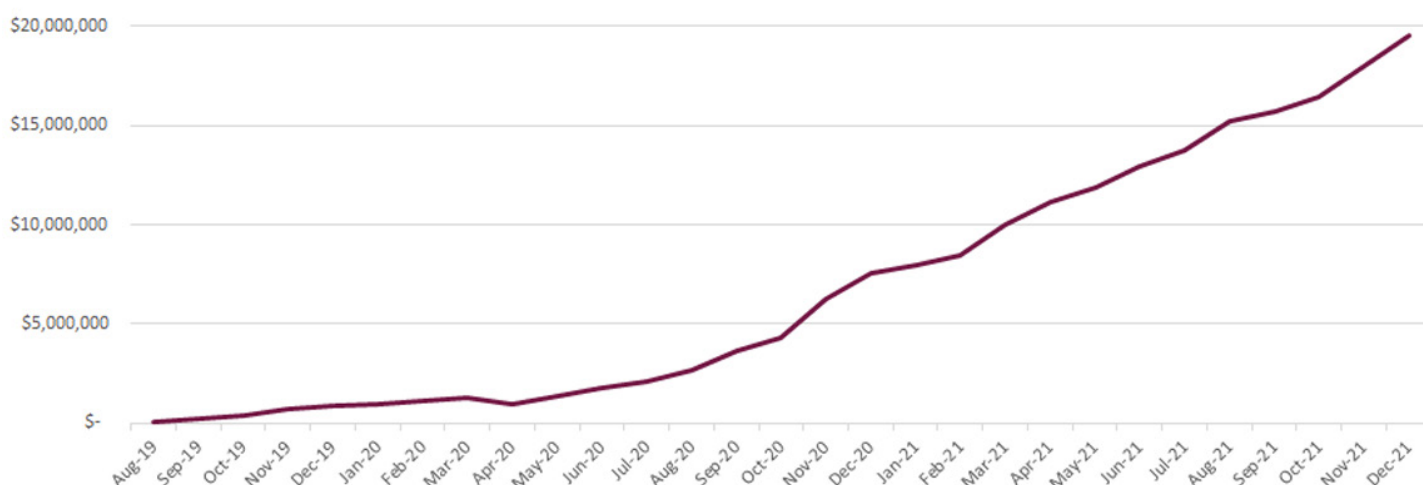
Charter Hall Group upgraded their financial year 2022 operating earnings guidance twice through the quarter, with expected financial year earnings to represent a minimum 72% growth rate over financial year 2021. This promising upgrade was on the back of increased valuations of the company's property portfolio and transactional activity.

Goodman Group also upgraded their financial year 2022 operating earnings guidance, from 10% growth to more than 15%. This strong performance has been driven by strong investor appetite for logistics real estate space as e-commerce has remained strong during the national lockdowns, mixed with a shortage of supply.

Portfolio Overview	
Investment Manager	Oracle Investment Management Pty Ltd
Investment Objective	To provide investors with long-term capital growth and income. The portfolio aims to outperform its benchmark over a rolling 3 year period.
Investment Strategy	To use active bottom up stock selection, focusing on buying quality companies at reasonable prices. The securities are assessed as meeting our investment criteria of strong earnings growth and as likely to provide attractive returns to investors.
Benchmark	S&P/ASX 300 Property Trust Accumulation Index
Investment Universe	Listed ASX Securities that invest in and or Manage Property Investments. Portfolio may invest in listed ETFs.
Recommended Investment Period	3-5 years
Minimum Initial Investment	\$25,000
Inception Date	1 August 2019

Top 10 Contributors	Portfolio Position	3 month Performance
Goodman Group	28.07%	22.92%
Charter Hall Group	6.99%	21.15%
Rural Funds Group	1.05%	20.28%
Arena REIT	2.85%	17.76%
Charter Hall Social Infrastructure REIT	1.78%	16.54%
Hotel Property Investments	0.86%	11.69%
Charter Hall Retail REIT	0.54%	9.43%
GPT Group	5.73%	6.90%
Scentre Group	9.31%	5.69%
Dexus	6.39%	5.56%

Funds Under Management (since inception)



Oracle Ethical Diversified Portfolio Update

The Oracle Ethical Diversified Portfolio is collectively managed by:



Nick Cummings

Portfolio Manager



Luke Durbin

Portfolio Manager



Jack Magann

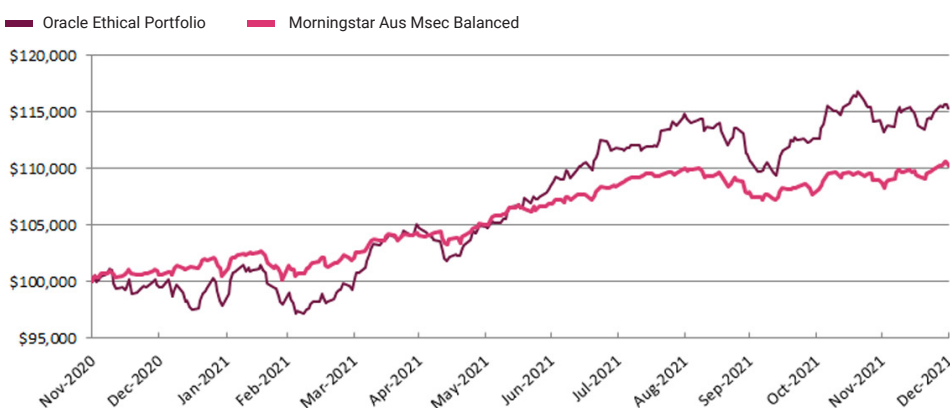
Portfolio Manager

Portfolio Performance

Rolling	Ethical Portfolio	Benchmark (Morningstar Balanced)	Comparative Performance
1 month	0.78%	1.36%	-0.58%
3 month	3.04%	2.14%	0.90%
6 month	4.37%	3.11%	1.26%
1 year	16.56%	9.55%	7.01%
Since Inception p.a (1 November 2020)	14.51%	13.07%	1.44%

Comparative Performance

Ethical Diversified vs Morningstar Balanced (since inception)



The Ethical Portfolio returned **3.04%** during the fourth quarter. This was a strong end to the year with our domestic and international equities generating most of the returns.

It has been 12 months since launching the Ethical Portfolio. Over the course of the year, we have been adding positively screened ethical businesses to the portfolio, as we have become more comfortable with their long-term business positions. Some of the ethical business we currently own are Australian Ethical, Vertex Pharmaceuticals, Genex Power and Wesfarmers Sustainability bonds. Pleasingly, investing ethically doesn't take away from returns with the portfolio returning **16.56% over the last 12 months** while the index returned **9.55%**. We thank all our investors for supporting this new strategy.

The last year has been a game changer for ethical investing, climate action and social change. We have seen governments and corporates around the globe committing to environmental targets as well as inclusion and diversity goals that will benefit the

planet and all of us that inhabit it. Some of the highlights include:

- ◆ Costco changed their executive remuneration program to include metrics concerning diversity, inclusion, resource consumption and emissions
- ◆ Facebook announced it had reached Net Zero Emissions in April 2021
- ◆ American President Joe Biden announced a goal of 50% of all new vehicles sales in the US to be electric by 2030. Norway last year achieved 65% so it can be done.
- ◆ Blackrock (the worlds largest asset manager) voted against 255 directors for climate issues up 5 times from the year before. They also made it publicly clear that they won't stand by or invest in companies that aren't changing their behaviour to reduce emissions.

We believe the future is bright despite the underwhelming climate conference in Glasgow in November. We believe global capital will continue to support ethical operations while reducing exposure to unethical businesses. In our opinion, 2021

is the first time we have seen corporate consensus reached on ethical investing as waiting for government consensus differs globally and invariably gets caught up in the politics of the day.

The fund's latest ethical addition was Genex Power. Genex Power is an Australian based renewable energy producer that is aiming to bring on several large-scale renewable projects over the next 5 years. Their main project is the 250MW Kidston Pumped Storage Hydro Project in far North Queensland, that will be the world's first hydro project to utilise an abandoned gold mine. The project has begun construction and will likely be operational in 2024. This will be a game changer for the company, materially increasing the free cashflow for the business. Furthermore, they currently have two operational solar farms and plans to open a wind farm near their Kidston hydro and solar projects. Delivering these projects will position Genex as one of the premier renewable power generators in Australia and should see a rerate in the share price.

Oracle Ethical Diversified Portfolio Update

Portfolio Overview	
Investment Manager	Oracle Investment Management Pty Ltd
Investment Objective	To provide investors with long-term growth and to outperform the Consumer Price Index + 3% over the medium term (5 years).
Investment Strategy	To invest across a broad range of investment sectors and to provide a balance between capital growth and capital preservation. Oracle use an active bottom up stock selection process, focusing on buying quality securities at reasonable prices. The securities are assessed as meeting both our investment criteria of strong earnings growth and ethical criteria of positive social, environmental and governance factors.
Investment Universe	Listed ASX Securities, cash, ETF's, corporate bonds, short term money market securities, international securities, listed sub-debt, listed hybrids and listed property investments.
Recommended Investment Period	5 years
Minimum Initial Investment	\$50,000
Inception Date	1 November 2020

Top 10 Contributors	3 month Performance
Australian Ethical	26.8%
Costco	26.0%
Oz Minerals	25.4%
Goodman Group	24.7%
Charter Hall	24.3%
Vertex Pharmaceuticals	21.6%
Lowe's	19.8%
Franklin Electric	13.9%
Microsoft	12.3%
Steadfast	9.7%

Selected Investment Holdings	Sector	Weighting
Perennial Ethical Fund	Ethical Fund	3.50%
Franklin Electric	Water Pumping Systems	2.46%
Genex	Renewable Energy Utility	1.96%
Rockwool	Environmental Building Products	1.60%
Vertex Pharmaceutical	Cystic Fibrosis Treatment	1.58%
Northland Power	Renewable Energy Utility	1.43%
Australian Ethical	Renewable Energy Utility	1.28%
Boralex	Ethical Fund Manager	1.27%

Diversified Managed: Capital Stable Portfolio

The Capital Stable Portfolio suits investors seeking a diversified portfolio that invests primarily in defensive assets with low volatility, reliable yield and a focus on capital preservation.

Investors in this portfolio are forgoing the potential for higher returns over the long term for relative security.

Asset Class	Neutral
Cash	10%
Fixed Income	60%
Property Securities	5%
Aus Emerging Companies	0%
Aus Equities	15%
Global Equities	10%

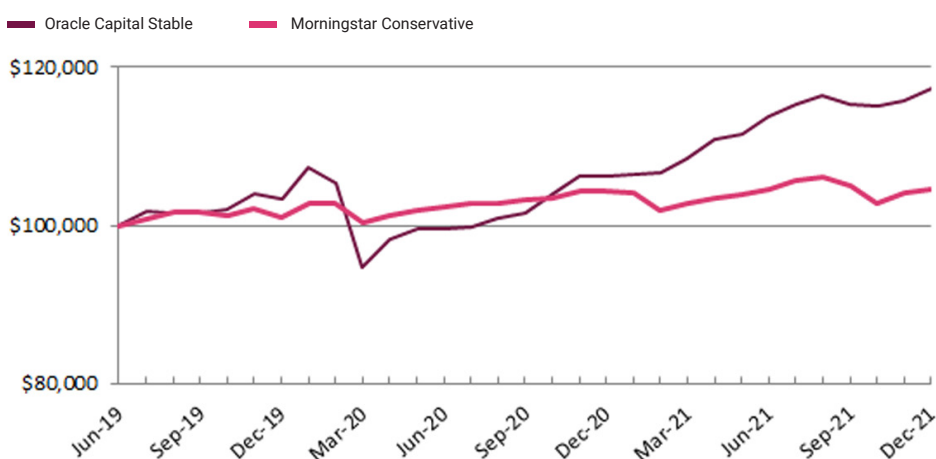
Investment Fee (% per annum)	
Capital State Portfolio	0.6%

Portfolio Performance

Rolling	Oracle Capital Stable	Benchmark (Morningstar Aus Msec Conservative)	Comparative Performance
1 month	1.21%	0.33%	0.88%
3 month	1.65%	-0.37%	2.02%
6 month	3.06%	-0.02%	3.08%
1 year	10.37%	0.15%	10.21%
2 year p.a	5.59%	1.77%	3.82%
Inception p.a. (1 July 2019)	6.81%	1.79%	5.02%

Comparative Performance

Oracle Capital Stable vs Morningstar Capital Stable (since inception)



Industry Funds Comparative Performance

Fund	1 month	3 month	1 year	2 year p.a
Oracle Capital Stable	1.21%	1.65%	10.37%	5.59%
Australian Super Stable		0.90%	8.33%	
VicSuper	0.56%	0.78%	3.45%	2.43%
AMP MySuper Capital Stable			12.12%	
UniSuper Conservative			4.34%	
CARE Super Capital Stable	0.13%	-0.33%	5.14%	
First State Super - Flexible Income Plan - Capital Stable	0.73%	0.90%	3.95%	3.00%
REST Capital Stable		1.39%	6.12%	
Macquarie Master Capital Stable		0.10%	2.90%	
Media super Stable	0.42%	-0.07%	4.99%	
Hostplus Capital Stable	0.31%	0.26%	6.44%	

Diversified Managed: Conservative Portfolio

The Conservative Portfolio suits investors seeking a diversified portfolio that invests primarily in defensive assets with low volatility, reliable yield and a focus on capital preservation.

Investors in this portfolio are foregoing the potential for higher returns over the long term.

Asset Class	Neutral
Cash	5%
Fixed Income	50%
Property Securities	5%
Aus Emerging Companies	0%
Aus Equities	25%
Global Equities	15%

Investment Fee (% per annum)	
Conservative Portfolio	0.65%

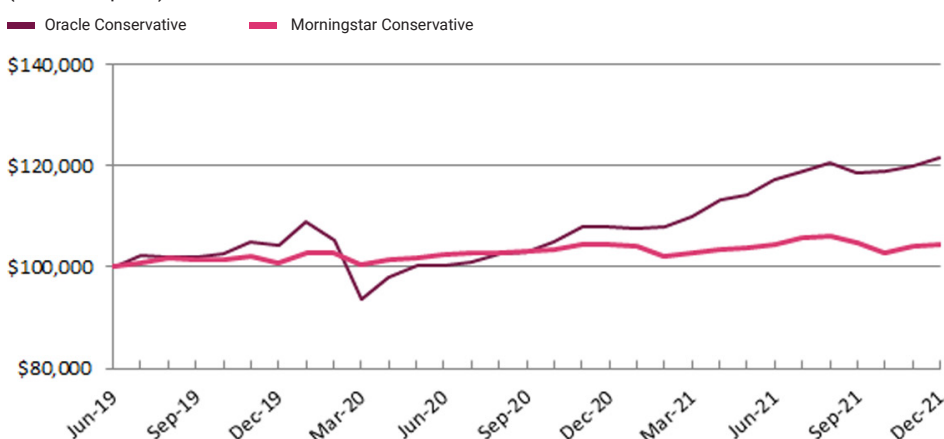
Portfolio Performance

Rolling	Oracle Conservative	Benchmark (Morningstar Aus Msec Conservative)	Comparative Performance
1 month	1.41%	0.33%	1.08%
3 month	2.37%	2.14%	0.23%
6 month	3.79%	-0.02%	3.81%
1 year	12.63%	0.15%	12.48%
2 year p.a	6.99%	1.77%	5.22%
Inception p.a. (1 July 2019)	8.14%	1.79%	6.35%

Comparative Performance

Oracle Conservative vs Morningstar Aus Msec Conservative

(since inception)



Industry Funds Comparative Performance

Fund	1 month	3 month	1 year	2 year p.a
Oracle Conservative	1.41%	2.37%	12.63%	6.99%
Australian Super Conservative Balanced		1.28%	14.18%	
Aware Super Conservative Growth	0.56%	0.78%	3.45%	2.43%
CBUS Conservative			6.77%	
UniSuper Conservative Balanced			7.52%	
CARE Super Conservative Balanced	0.06%	-0.35%	7.04%	
Morningstar Msec Conservative	0.32%	-0.10%	2.21%	
Vanguard Diversified Conservative Index	0.48%		4.51%	
IOOF WealthBuilder Conservative		0.70%	3.70%	
HESTA Conservative			8.72%	
Hostplus Conservative Balanced	0.35%	0.44%	10.11%	

Diversified Managed: Balanced Portfolio

The Balanced Portfolio suits investors who require a balanced portfolio, diversified across all major asset classes, seek capital growth over the medium to long term with a moderate level of income, accept a moderate degree of volatility associated with a relatively higher exposure to growth assets and are prepared to invest for the minimum investment timeframe.

Asset Class	Neutral
Cash	4%
Fixed Income	36%
Property Securities	6%
Aus Emerging Companies	9%
Aus Equities	20%
Global Equities	25%

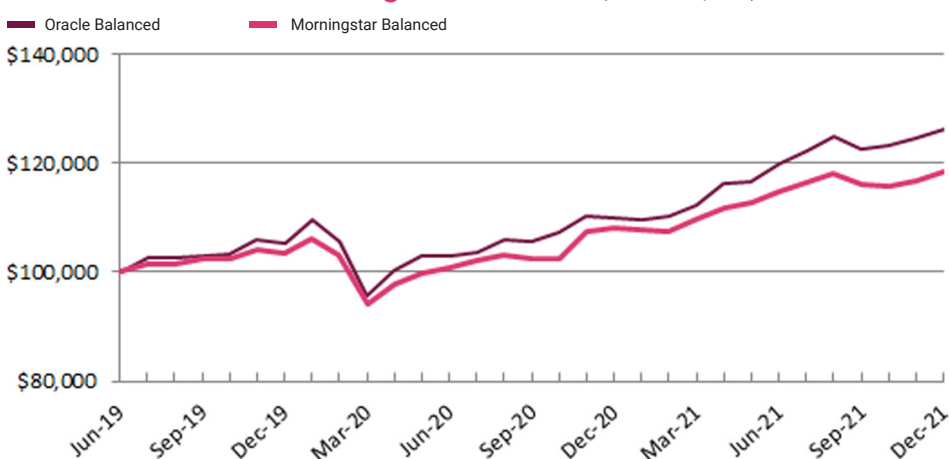
Investment Fee (% per annum)	
Balanced Portfolio	0.7%

Portfolio Performance

Rolling	Oracle Balanced	Benchmark (Morningstar Aus Msec Balanced)	Comparative Performance
1 month	1.39%	1.36%	0.03%
3 month	2.97%	2.14%	0.83%
6 month	5.27%	3.11%	2.16%
1 year	15.60%	9.55%	6.05%
2 year p.a	8.74%	7.06%	1.68%
Inception p.a. (1 July 2019)	9.77%	7.01%	2.76%

Comparative Performance

Oracle Balanced vs Morningstar Balanced (since inception)



Industry Funds Comparative Performance

Fund	1 month	3 month	1 year	2 year p.a
Oracle Balanced	1.39%	2.97%	15.60%	8.74%
Australian Super Balanced		1.73%	20.43%	
Aware Super Balanced Growth	1.12%	1.99%	10.45%	6.61%
Cbus Conservative Growth			12.55%	
UniSuper Balanced			11.73%	
CARE Super Balanced	0.10%	0.04%	12.07%	
AMP Capital Balanced Growth Fund	2.27%	3.41%	14.35%	
REST Balanced		2.08%	9.78%	
MorningstarMsec Balanced		1.00%	9.00%	
HESTA Balanced Growth			19.03%	
Hostplus Balanced	0.33%	2.93%	19.43%	

Diversified Managed: Growth Portfolio

The Growth Portfolio suits investors who seek the potential for a relatively high level of growth and a modest level of income, accept a higher level of short-medium term capital volatility as a trade-off for long-term capital growth and are prepared to invest for the minimum investment timeframe.

Asset Class	Neutral
Cash	2%
Fixed Income	24%
Property Securities	10%
Aus Emerging Companies	11%
Aus Equities	19%
Global Equities	34%

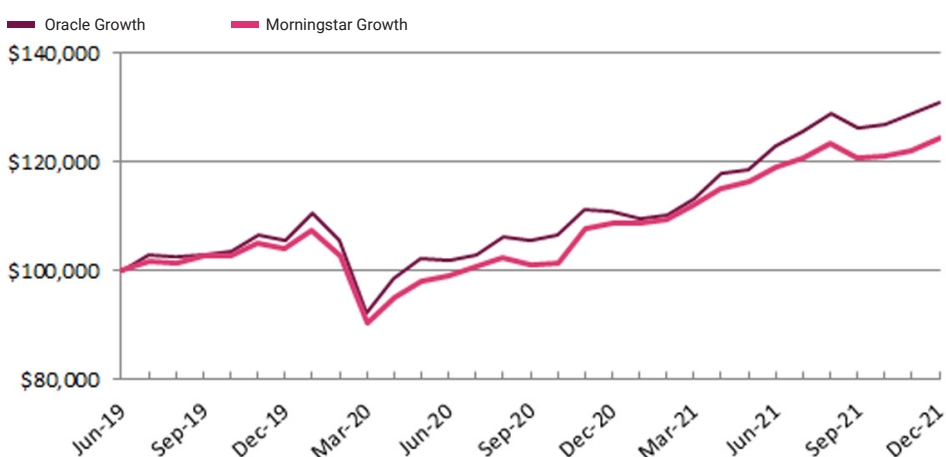
Investment Fee (% per annum)	
Growth Portfolio	0.75%

Portfolio Performance

Rolling	Oracle Growth	Benchmark (Morningstar Aus Msec Growth)	Comparative Performance
1 month	1.63%	1.93%	-0.30%
3 month	3.77%	3.19%	0.58%
6 month	6.46%	4.51%	1.95%
1 year	18.19%	14.35%	3.84%
2 year p.a	9.73%	9.29%	0.44%
Inception p.a. (1 July 2019)	10.95%	9.16%	1.79%

Comparative Performance

Oracle Growth vs Morningstar Growth (since inception)



Industry Funds Comparative Performance

Fund	1 month	3 month	1 year	2 year p.a
Oracle Growth	1.63%	3.77%	18.19%	9.73%
Vanguard Growth Index Fund	1.50%		13.92%	
Aware Super Growth	1.42%	3.06%	14.42%	9.76%
VicSuper Growth			14.97%	
UniSuper Growth			15.70%	
CARE Super Growth	-0.04%	-0.16%	14.41%	
Morningstar Msec growth	1.90%	1.66%	13.24%	6.70%
First State - Flexible Income Plan - Growth	1.59%	2.66%	14.73%	8.17%
Cbus Growth (MySuper)			19.34%	
Betashares Diversified All Growth ETF	1.61%	4.09%	22.31%	
Media Super Growth	0.25%	0.07%	13.10%	

Diversified Managed: High Growth Portfolio

The High Growth Portfolio suits investors who seek a relatively high level of growth on investment capital, accept a high level of short-medium term capital volatility as a trade-off for long-term capital growth and are prepared to invest for the minimum investment timeframe.

Asset Class	Neutral
Cash	2%
Fixed Income	0%
Property Securities	10%
Aus Emerging Companies	20%
Aus Equities	24%
Global Equities	44%

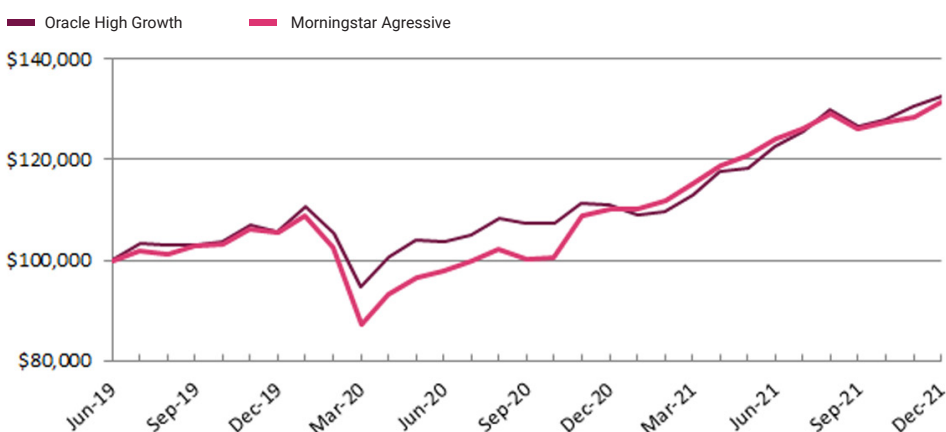
Investment Fee (% per annum)	
High Growth Portfolio	0.85%

Portfolio Performance

Rolling	Oracle High Growth	Benchmark (Morningstar Aus Msec Aggressive)	Comparative Performance
1 month	1.68%	2.40%	-0.72%
3 month	4.80%	4.25%	0.55%
6 month	8.23%	5.90%	2.33%
1 year	22.05%	19.42%	2.63%
2 year p.a	12.18%	11.70%	0.48%
Inception p.a. (1 July 2019)	13.13%	11.58%	1.55%

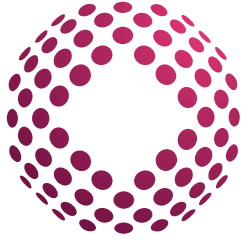
Comparative Performance

Oracle High Growth vs Morningstar Aggressive (since inception)



Industry Funds Comparative Performance

Fund	1 month	3 month	1 year	2 year p.a
Oracle High Growth	-1.68%	4.80%	22.05%	12.18%
Australian Super High Growth		1.73%	24.35%	
Aware Super High Growth	1.62%	3.68%	18.40%	12.34%
Qsuper Aggressive			11.69%	
UniSuper High Growth			18.88%	
Vanguard High Growth Index Fund	2.04%		19.04%	
AMP Capital High Growth Fund	2.57%	4.10%	17.55%	
REST High Growth		3.52%	17.03%	
Cbus High Growth			25.95%	
HESTA High Growth			24.92%	
BetaShares Diversified High Growth ETF	1.83%	-0.08%	20.91%	
Morningstar Msec Aggressive	2.57%	3.76%	18.13%	



oracle

ADVISORY GROUP

Investment Manager

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Promoter

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